

GRANADA SANITARY DISTRICT

OF SAN MATEO COUNTY

455 Avenue Alhambra, #6 ~ P. O. Box 335 ~ El Granada, California 94018
Telephone: (650) 726-7093 ~ Facsimile: (650) 726-7099

MINUTES

BOARD OF DIRECTORS MEETING

March 21, 2002

CALL TO ORDER: The regular meeting was called to order at 7:33 p.m. by Board President Bill Katke at the District Office in El Granada.

ROLL CALL: Attending Directors were: President Bill Katke, Vice President Leonard Woren, Treasurer Laura Stein, Secretary Fran Pollard, and Board Member Shawn McGraw. Attending staff were: Legal Counsel Jonathan Wittwer, Engineer Howard Hoffman, Administrator Gina Holmes, Assistant Administrator Delia Comito, and District Clerk Leisa Bretz.

PLEDGE OF ALLEGIANCE: All present recited the Pledge of Allegiance.

GENERAL PUBLIC PARTICIPATION: There were no speakers from the public.

CONSENT AGENDA:

Director Stein held the following Consent Agenda items for discussion:

1. Approval of Special Assessment District Meeting minutes for January 30, 2002.
2. Approval of Special Retreat Meeting minutes for February 2, 2002.
3. Approval of Regular Meeting minutes for February 21, 2002 (tabled 3/7/02).

Director Woren held the following Consent Agenda item for discussion:

4. Approval of GSD financial statements for January and February 2002.

Director McGraw held the following Consent Agenda items for discussion:

2. Approval of Special Retreat Meeting minutes for February 2, 2002.
9. Approval of letter from the Board of Directors to the California Coastal Commission regarding Appeal No. A-1-99-51, Wavecrest Village Project

ON MOTION by Director Woren, seconded by Director Stein, the Board unanimously approved the following Consent Agenda items (Woren/Stein, 5-0):

5. Approval of warrants totaling \$40,299.57 (check #3258 to #3282)
6. Approval of payments from Bond Administration fund totaling \$8,194.47 (Wittwer \$4,648.47; Laster \$3,546.00)
7. Approval of Resolution and Reimbursement Agreement for McGregor, 5th (Fifth) Avenue Mainline (Class 3) Extension, Accepted into the District 7/19/99 (2002-001)
8. Approval of Resolution and Reimbursement Agreement for McGregor, 6th (Sixth) Avenue Mainline (Class 3) Extension, Accepted into the District 7/19/99 (2002-002)

The Board agreed to return to the Consent Agenda items held for discussion.

CONSENT AGENDA

1. Approval of Special Assessment District Meeting minutes for January 30, 2002: Director Stein would like to change "a.m." to "p.m." on page two, the final vote is missing and needs to be inserted, and in the third paragraph change "finance" to "financing". The following action was taken:

ON MOTION by Director Woren, seconded by Director Stein, the Board unanimously approved the Special Assessment District Meeting minutes for January 30, 2002 with the requested corrections. (Woren/Stein, 5-0)

2. Approval of Special Retreat Meeting minutes for February 2, 2002: Director Stein corrected the adjournment time to 5:00 p.m. The following action was taken:

ON MOTION by Director Stein, seconded by Director Pollard, the Board unanimously approved the Special Retreat Meeting minutes for February 2, 2002 with the requested corrections. (Woren/Stein, 5-0)

3. Approval of Regular Meeting minutes for February 21, 2002 (tabled 3/7/02): Director Woren requested that this item be tabled until the end of the meeting.
4. Approval of GSD financial statements for January and February 2002: Director Woren said he could not approve the financial statement for various reasons. Director Stein offered to have Director Woren explain the problems to her and then she would speak to the CPA about the corrections. The following action was taken:

ON MOTION by Director Woren, seconded by Director Pollard, the Board unanimously approved to table the Approval of GSD financial statements for January and February 2002 (Woren/Pollard, 5-0). Director Stein amended motion, seconded by Director McGraw to table this item until Director Woren can provide the information for changes. (Stein/McGraw, 5-0)

9. Approval of letter from the Board of Directors to the California Coastal Commission regarding Appeal No. A-1-99-51, Wavecrest Village Project: Director McGraw would insert "Wavecrest" after "RE:", on page two at the top of the page she would like "everyone's already bad" changed to "our resident's current", the following sentence should read "...a monetary value on the time individuals lose when they do not get to spend time with their families." Director Katke requested submitting changes to the staff. The following action was taken:

ON MOTION by Director Woren, seconded by Director Pollard, the Board unanimously approved letter from the Board of Directors to the California Coastal Commission regarding Appeal No. A-1-99-51, Wavecrest Village Project with the requested changes and a copy of the letter was directed to be sent to the Coastal Commission. (Woren/Pollard, 5-0)

ACTION AGENDA

10. Discuss/consider approval of Contract between Cummings Walker as publisher of District Newsletter, and the Granada Sanitary District. Director Pollard requested that the contents of the newsletter be approved by the Board before mailing, and that the contents be on a future agenda. There was further discussion. The following action was taken:

ON MOTION by Director Stein, seconded by Director Pollard, the Board unanimously approved the contract between Cummings Walker and Granada Sanitary District. (Stein/Pollard, 5-0)

11. Discuss/consider vote to approve Measure A Committee recommendation to amend existing criteria for requests from exemption from Ordinance No. 139 (Grandfathering): There was extensive Board discussion. Director Woren wanted to include, "Expenses to be considered must occur during continuous ownership with no real estate purchase contract in escrow in interim.", and requested a copy of the revised criteria be distributed to the Board Members mailboxes. Director McGraw indicated that the project must not exceed the original size. **Director Katke asked if there were any public speakers on this subject.**

David Hodge, San Francisco: spoke regarding his property and asked when his request might be addressed. Counsel Wittwer indicated that his request is pending until the Coastal Commission has a determination on the DaRosa case. Mr. Hodge stated that his situation is different than DaRosa's and will provide this information to staff. Director Pollard stated that Mr. Hodge's property is the same size and is adjacent to DaRosa, and the District is waiting for the Coastal Commission to make a decision.

Mike McCracken, Attorney, Burlingame (Mr. Hodge's attorney), spoke in regards to the property in question. He believes the Coastal Commission is reviewing DaRosa for a variance. He requests the Hodge matter be placed on a future agenda.

ON MOTION by Director Stein, seconded by Director Woren, the Board unanimously approved to verify and confirm that those criteria recommended by the Measure A Committee (including that the expenses have occurred during continuous ownership of the property) are merely the proper interpretation of the existing criteria. (Stein/Woren, 5-0)

12. Discuss/consider need to schedule a Special Assessment Board Meeting and set Meeting date: Director Stein asked Counsel if the Special Meeting set for March 22, 2002 could be cancelled due to revised thinking. Director Woren pointed out that the meeting had been noticed. Counsel said that the meeting may be cancelled by posting a notice of adjournment.

Chuck Duffy, San Diego: Mr. Duffy was introduced by Director Katke as the General Manager of Whispering Palms Services District. Director Katke met Mr. Duffy at the Special Districts Institute Seminar and Mr. Duffy offered his services. There was further discussion.

Director Woren asked the connection between Agenda Item #12 and Mr. Duffy. Director Stein explained that the Board terminated the original project of hiring a consultant to perform the Organizational audit at their last retreat and decided to hire a General Manager. Regarding the Assessment District, Director Stein stated that the steps necessary to allow for the annual refunding of the Bonds would not be completed in time to meet the July deadline she also indicated that Bond Counsel Jerry Laster will distribute a report on re-addressing the separate staffing needs of the Assessment District. The following action was taken:

ON MOTION by Director Stein, seconded by Director McGraw, the Board unanimously approved canceling the Special Assessment Board Meeting and put it on a future Agenda. (Stein/McGraw, 5-0)

13. Discuss/consider adopting District Policy regarding compensation paid to Board Members for time spent on District projects (Director Katke): Counsel Wittwer reviewed his findings for this item. There is an act that covers Districts in regards to compensation to Board Members. The maximum is \$100.00 per day for a maximum of six days per month. There is provision that allows the Secretary to be compensated as approved by the Board but it has to be reasonably related to additional work. There was extensive discussion. **Counsel Wittwer suggested that staff look at the resolution regarding meetings, and find when there was last an increase in Board Members fees.** Counsel will look into the possibility of compounding the allowed annual increases. There was no formal motion.
14. Discuss/consider vote to ratify Personnel Committee and to authorize hiring of a Personnel Consultant: President Katke suggested canceling authorization of hiring a personnel consultant for the same reasons as the previous item. The following action was taken:

ON MOTION by Director Pollard, seconded by Director Woren, the Board unanimously approved canceling the consideration to vote to ratify Personnel Committee and to authorize hiring of a Personnel Consultant. (Pollard/Woren, 5-0)

15. Discuss/consider expanding job duties and increasing pay of District Clerk Leisa Bretz: Administrator Gina Holmes reviewed what was provided in the packet for this item. The District Clerk is currently working 38 – 40 hours per week. There was considerable Board discussion. The following action was taken:

ON MOTION by Director Stein, seconded by Director Pollard, the Board unanimously approved temporary expansion of job duties and increase in the pay rate of the District Clerk Leisa Bretz to \$20.00 per hour with no overtime. Director McGraw requested amendment of motion stating that the District Clerk will work a maximum of eight hours a day with no overtime. Director Stein and Director Pollard accepted the amendment. (Stein/Pollard, 5-0) (JW) The Board also directed the District Clerk to be responsible for the minutes, agenda and filing system.

ON MOTION by Director Stein, seconded by Director McGraw, the Board unanimously approved extending the meeting time until 10:30p.m. (Stein/McGraw, 5-0)

Urgency Item:

Director Woren requested an additional urgency item to the Agenda. The Half Moon Bay City Council sent a letter to the Board of Supervisors requesting that Board not make an attempt to fill an empty seat on the CCWD Board.

ON MOTION by Director Woren, seconded by Director Pollard, the Board unanimously found that the need to send a letter to the San Mateo County Board of Supervisors regarding the CCWD vacancy came to the attention of the GSD Board after the Agenda was posted and requires action before the next regular meeting. (Woren/Pollard, 5-0)

Director Woren distributed a draft letter to the Board of Supervisors regarding the CCWD vacancy. There was discussion regarding changes to the letter.

Counsel made clear that if revisions are to be allowed after the Board agrees to the letter, no substantial changes are to be made.

ON MOTION by Director Woren, seconded by Director Pollard, the Board unanimously approved to send a grammatically corrected version of the letter to the San Mateo County Board of Supervisors requesting them to not make an appointment to the vacancy on Coastside County Water District's Board. (Woren/Pollard, 5-0)

16. DIRECTORS' COMMENTS AND COMMITTEE REPORTS: Report on Sewer Authority Mid-Coastside March 11, 2002 meeting: Directors McGraw and Woren: The Personnel Committee is to discuss the wording on the brochure for the General Manager Position. The entire Board will receive the March 25, 2002 minutes to discuss the vacancy left by Kim Salera from the Finance Department. Director Woren indicated that President Katke would stand in for Director McGraw at the next meeting because she will be traveling on business. There was no formal motion.

Report on Assessment District Committee Meetings held on March 4 and March 15, 2002: Director Stein explained the purpose of the meetings with Bond Counsel Laster was to determine steps relating to Bond refunding. The Montara Sanitary District advance repayment issue and audit of SAM's books should be on a future agenda. **Wittwer advised auditor to look at the Sewer Authority Mid-Coastside's books on a future agenda.** There was further discussion.

ON MOTION by Director Pollard, seconded by Director Woren, the Board unanimously approved to extend the meeting until 11:00 p.m. (Pollard/Woren, 5-0)

17. INFORMATION CALENDAR Administrator's Reports: Report of Administrative Activities for January 2002: Administrator Holmes reviewed the Summary. Director Woren is to work with the staff on a mock budget. Director Stein, as treasurer, requests that Director Woren communicate with her regarding this item.

Pending Action Summary: The current list was reviewed, corrections were deleted and updated. The following items were added: Discuss/consider tax &

cash flow issues relating to possible purchase of Cresson Bldg. (including vacancy history), updates regarding the correction of SAM accounting records regarding MSD permits credited as "Loan" repayments, Discuss/consider approving Exemption from Ordinance No. 139: Hodge, Consider Director's fee adjustment/setting policy regarding expense reimbursement, and discuss/consider authorizing search firm for Assessment District Administration.

18. Engineer's Report: Hoffman reported that the contractor for the Capital Improvement Project is getting a late start. Wittwer mailed a letter to the contractor and things are now moving along.

ON MOTION by Director McGraw, seconded by Director Stein, the Board unanimously approved to extend the meeting until 11:25 p.m. (McGraw/Stein, 5-0)

19. Attorney's Report regarding Board President acting as an Interim Manager pending hire of General Manager: Counsel Wittwer recommended that the Board review his letter with the findings. The Board is no longer interested in pursuing this issue due to a conflict of interest. Wittwer stated that it would be one month or so before getting into initial stage of pending foreclosure. Then it will be one more month before the actual foreclosure.

The Board agreed to return to Consent Item #3 on the Agenda.

3. Approval of Regular Meeting minutes for February 21, 2002 (tabled 3/7/02): Director Stein would like to change under Agenda Item #10 on page 2 to read "though" instead of "tough", and change "it" to "the letter". On page three at the top, replace "changed" with "changes" and "recommend" with "recommended", in paragraph one change "Associate" to "Assistant", in paragraph 5 change "if" to "whether", at the top of the page 4 delete "not", on page five under reconvene add "the meeting" after reconvened. There was further discussion by the Board. The following action was taken.

ON MOTION by Director Woren, seconded by Director Stein, the Board unanimously approved the Regular Meeting minutes for February 21, 2002 as amended. (Woren/Stein, 5-0)

20. SET FUTURE AGENDA: The Board discussed the Agenda items for the April 4, 2002 Board Meeting. A possible special meeting may be scheduled with Mr. Duffy. **The Board directed staff to have the CPA do a cash flow analysis and provide it to Mr. Engdahl for the proposed purchase of the Cresson Building. Director Stein requested a history of occupancy at the building.** Mr. Hoffman is to respond to the Assessment District letter sent to him and will be worked out with staff in this regard.

ON MOTION by Director McGraw, seconded by Director Woren, the Board unanimously agreed to adjourn at 11:45. (McGraw/Woren, 5-0)

ADJOURN: The meeting adjourned at 11:47 a.m. **(Woren/ Pollard, 5-0).**

Submitted on: May 2, 2002

Approved on: May 2, 2002

SUBMITTED BY:
Leisa Bretz, District Clerk

APPROVED BY:
Fran Pollard, Board Secretary